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BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, DC

DEPT. OF TRANSPORTATION
DOCKETS

02 JUL 19 PM 4:40

In the Matter of :
: U.S.-Ecuador All-Cargo Frequencies :
:

Docket OST-2002-12503 - 10

Application of :
: Arrow Air, Inc. :
: :
: For allocation of five additional U.S.-Ecuador :
: all-cargo scheduled frequencies :
:

SUPPLEMENT NO. 1 TO
APPLICATION OF ARROW AIR, INC. FOR ALLOCATION
OF FIVE ADDITIONAL U.S. - ECUADOR ALL-CARGO FREQUENCIES

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Attorneys for Arrow Air, Inc.

NOTICE: AN ANSWER IN SUPPORT OF OR IN OPPOSITION TO THIS APPLICATION AS
SUPPLEMENTED MUST BE FILED WITH THE DEPARTMENT BY AUGUST 2, 2002 AND A
COPY SERVED ON ALL PERSONS ON THE ATTACHED SERVICE LIST.

July 19, 2002

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Arrow Air, Inc. ("Arrow") pursuant to the Notice served July 3, 2002 by the Department of Transportation (the "Department") hereby supplements its application as follows:

1. Supplement Exhibit JW-A, is a map of Arrow's current all-cargo scheduled services between the U.S. and Central and South America. It visually illustrates how service to Ecuador integrates with other all-cargo services, including intermediate and beyond points so as to provide other market support for the routes involved in this proceeding and ensures to reliability and continuity of Arrow's services throughout the seasonal variations in market demand as well as providing directional balance for individual markets which would not otherwise be possible.

departure/arrival times, equipment used and capacity offered. Caracas is usually served as an intermediate between Miami and Ecuador, however the other listed points are included as intermediates depending on seasonal and other market demands. The Exhibit shows that in addition to its regularly scheduled flights Arrow has provided weekly charter services with wide body aircraft to accommodate the market requirements. Total weekly capacity offered in the market, by direction is presented.

3. Supplement Exhibit JW-C shows the proposed additional frequencies to be operated as an extension of existing services. All services, including wide body flights, would be operated under the frequency allocation requested by Arrow. A calculation of weekly capacity which would be offered by Arrow in the Ecuador markets is shown by direction.
4. Supplement Exhibit JW-D is a summary of Arrow's participation in the Ecuador markets for the most recent six month period and a calculation of market share. This Exhibit demonstrates that Arrow has been able to serve the demands of the Ecuador markets with its current aircraft fleet and use of narrow and wide-body equipment. Arrow proposes to improve service with wide body aircraft currently in use or available to it and improve its market share both northbound and southbound.

Each of the Supplemental Exhibits submitted herewith was prepared by Arrow staff personnel and is true and correct to the best of the Arrow's knowledge and belief.

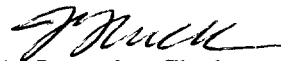
WHEREFORE, Arrow Air, Inc. respectfully requests that the Department of Transportation, in consideration of all of the foregoing, allocate to it five (5) additional U.S.-Ecuador all-cargo scheduled frequencies and grant such other and further relief consistent with the premises herein.

Respectfully submitted,



/s/ Lawrence D. Wasko

Lawrence D. Wasko



/s/ Jacquelyn Gluck

Jacquelyn Gluck

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Attorneys for Arrow Air, Inc.

July 19, 2002

CERTIFICATE OF SERVICE

I certify that I have this 19th day of July 2002 served the foregoing Supplement No. 1 to the Application of Arrow Air Inc for allocation of additional U.S. - Ecuador all-cargo frequencies by Fax or First Class Mail, postage prepaid, on the following persons:

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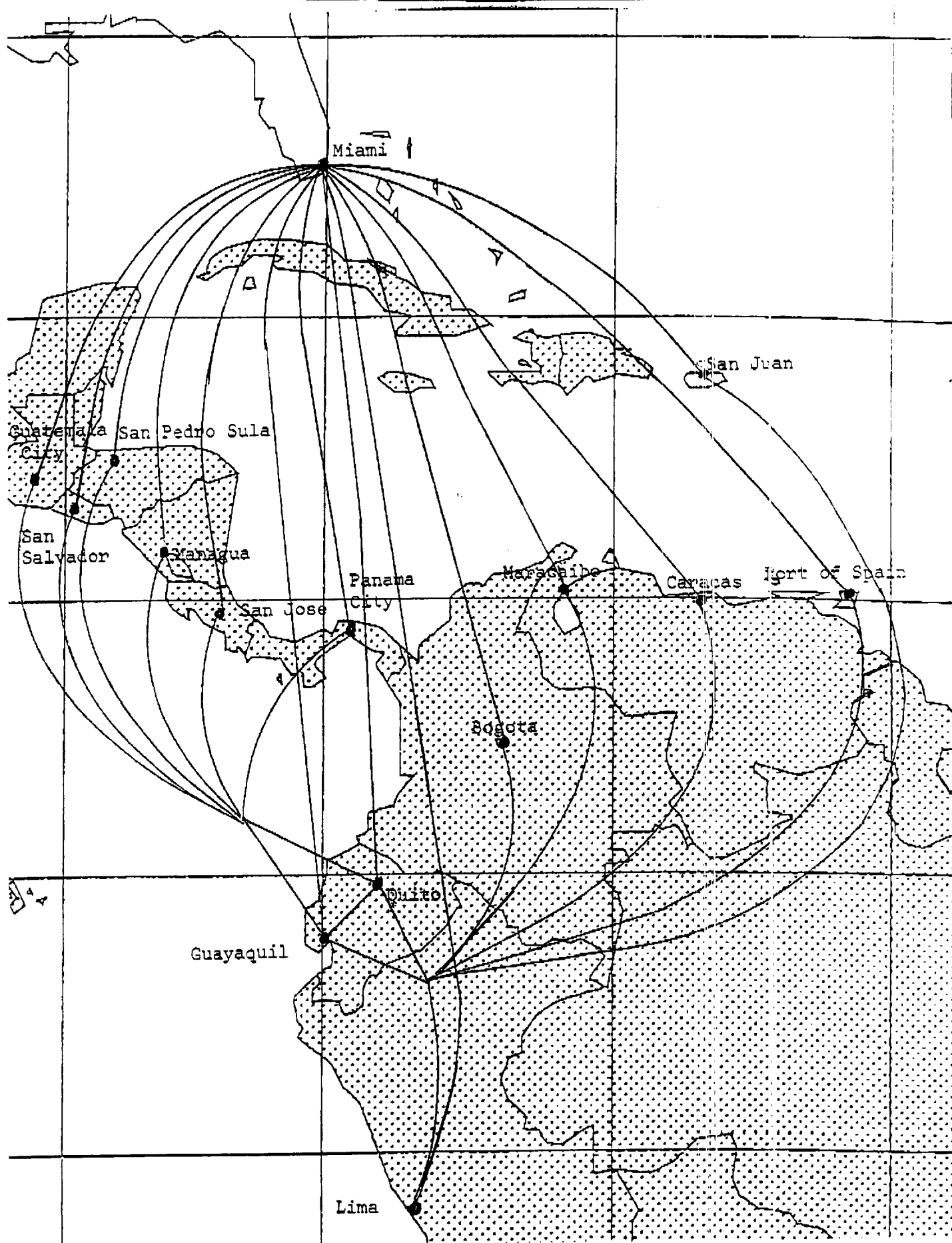
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/s/ Lawrence D. Wasko
Lawrence D. Wasko

Arrow Air combines its other Latin America service with Ecuador to provide greater efficiency, lower cost and better service to the public



Arrow Air's Current U.S. – Ecuador Flight Schedule

Daily Frequency:

Mon, Tue, Thur, Fri, Sun – DC-8F Scheduled Service
Wed, Sat – DC-10-30F Charter Service

Depart MIA - 0600
Arrive Intermediate Point - 0900

Depart Intermediate Point - 1100
Arrive UIO - 1400

Depart UIO - 1600
Arrive GYE - 1700

Depart GYE - 1900
Arrive MIA - 2330

All times are GMT.

Intermediate points include SJU, POS, CCS, MAR, BOG, LIM, PTY, SJO, MGA, SAP, SAL and GUA. Intermediate points depend on market demands.

Weekly capacity of current schedule:

U.S. to Ecuador – 692,000 Lbs capacity

Ecuador to U.S. – 650,000 Lbs capacity

Arrow Air's Proposed U.S. – Ecuador Flight Schedule

Daily Frequency: Mon, Wed, Sun – DC-10-30F Service
Tue, Thur, Fri, Sat – B-747-200F Service

Depart MIA - 0600
Arrive Intermediate Point - 0900

Depart Intermediate Point - 1100
Arrive UIO - 1400

Depart UIO - 1600
Arrive GYE - 1700

Depart GYE - 1900
Arrive MIA - 2330

All times are GMT.

Intermediate points include SJU, POS, CCS, MAR, BOG, LIM, PTY, SJO, MGA, SAP, SAL and GUA. Intermediate points depend on market demands.

Weekly capacity of proposed schedule:

U.S. to Ecuador – 1,250,000 Lbs capacity

Ecuador to U.S. – 1,250,000 Lbs capacity

Last six months of T-100 data

<u>City Pair</u>	<u>Total Pounds</u>	<u>JW Pounds</u>	<u>JW %</u>
MIA – GYE	5,670,463	1,827,413	32.2%
MIA – UIO	23,638,179	2,884,178	12.2%
Total Southbound	29,308,642	4,711,591	16.1%
GYE – MIA	56,284,382	742,721	1.3%
UIO – MIA	29,827,044	15,528,411	52.1%
Total Northbound	86,111,426	16,271,132	18.9%